



# **Laingsburg Local Municipality**

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## **Annual Report 2007/2008**

**Submitted in terms of Section 46 of the Municipal  
Systems Act and Section 127 of the Municipal  
Finance Management Act**

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**Final Draft**

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## **Executive summary**

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This document represents the Annual Report for Laingsburg Local Municipality for the 2007/08 Municipal Financial Year.

### ***Socio-economic and demographic profile***

Laingsburg Local Municipality (LLM) is located in the Central Karoo region of the Western Cape. It is the smallest municipality in the province with a total population estimate of 7330 and with slightly less than 2000 households. The municipality's main socioeconomic challenges include high unemployment, crime and declining school enrolment. While agriculture is the dominant sector in the region, there is also a growing emphasis being placed on tourism and associated economic sectors.

### ***Governance and Intergovernmental Relations***

The 2007/08 municipal financial year saw the municipality welcome its first female mayor, Councillor R. Meyer. This was the result of the new coalition arrangement in Council, which saw the African National Congress (ANC) and National People's Party (NPP) form an alliance. The political shift did not impact on the administration and the municipality has been able to maintain stable operational activities.

In terms of IGR, the municipality has been active in the DCF meetings which took place throughout 2007/08 and has been able to forge good working relationships with other local municipalities in the region, the Central Karoo District Municipality (CKDM) as well as the province. The municipality has benefited greatly from its interactions with other tiers and spheres of government and places great value on the quality of intergovernmental relations in the district.

### ***Integrated Development Plan (IDP) and related activities***

The municipality prepared and approved its IDP within its specified timeframes. In 2007/08 the municipality invested in the improvement of the IDP process by hosting an IDP conference, which included the participation of local community stakeholder organisations, the CKDM and various Western Cape Provincial Government departments. The municipality also adopted a Community Based Planning approach in order to prioritise the input of communities into its planning processes. In order to bring IDP closer to ground, the municipality hosted an IDP Slogan and Poem Competition, generating awareness amongst the youth in particular about the importance and relevance of the IDP. A range of public participation events and initiatives were held by LLM during the financial year and a number of surveys were undertaken in order to assess service delivery needs and consult with communities. The municipality also launched a Social Transformation Structure and developed its Spatial Development Framework for 2007/08.

### ***Service Delivery***

With respect to service delivery, all households in the municipality receive basic services and the main backlog which Laingsburg faces is with respect to housing. The municipality developed and finalised its Housing Plan in May 2008 and has been recognised in the province for its approach to improving housing delivery. All indigent households receive Free Basic Services. The municipality spent 100% of its capital



budget on projects identified in the IDP and has consistently spent its MIG allocation. The municipality implemented a range of significant project in order to improve service delivery. Most notable was the provision of water to 632 households in Matjiesfontain, the recycling of water and use of grey water for gardening purposes. The municipality also ensured 100% provision of electricity to urban households and embarked on an energy saving plan which yielded results in terms of reduced energy consumption in the municipal area. The recycling project of the municipality has ensured that more than 80% of solid waste collected was recycled during the financial year and it further created employment opportunities for locals. In terms of environmental management the municipality hosted a range of greening projects to create awareness and encourage the planting of trees and other greening initiatives.

### ***Institutional development and transformation***

Due to its size, location and relatively small budget, the municipality struggles to attract skilled staff in certain fields such as engineering and finance related professions. In order to address this, the municipality utilises service sharing arrangements with other municipalities in the region and contracts in certain skills as required. The municipality only has one Section 57 employee, the Municipal Manager. In terms of employment equity, 43% of the municipality's staff is female and while there are no women represented at the Section 57 level, women occupy key positions in middle management and at the supervisory level. While the municipality experienced vacancies during the financial year, these were filled within fewer three months. The municipality has a complete suite of human resources plans which have been completed and it has invested in the training of staff across various departments during 2007/08.

### ***Financial Management and Viability***

LLM achieved an unqualified audit for the 2007/08 municipal financial year. The municipality had no external loans during the year and has implemented and approved a range of financial policies such as a tariff policy, credit control, supply chain management and asset management policy, amongst others. The municipality faces challenges in terms of financial management and continues to work towards addressing these. Some notable initiatives include a leak detection study to minimise water losses, improvement in payments for municipal services to 93% and the enhancement of revenue by upholding a thirty day return on debt. Constraints include the small revenue base of the municipality and thus a high dependency on grants, lack of funding for bulk infrastructure and the lack of own funding to implement capital projects.

### ***Local Economic Development (LED)***

The municipality has developed an LED strategy to guide its efforts to improve economic growth in the region. While the implementation of this plan has been difficult (due to budget constraints) there have been a range of initiatives which have taken place during 2007/08 to promote economic welfare for communities. These include a contribution by LLM to a Tourism Centre, the Youth Development Programme, Business Training and Early Childhood Development initiatives. The municipality also undertook activities geared at poverty alleviation, such as the provision of free basic services to indigent households, arts and crafts projects and greening projects which assisted in facilitating job creation.



### ***Monitoring and evaluation***

LLM made use of its Performance Management System to monitor performance against targets linked to the IDP. It also used public surveys and other public participation initiatives to consult with and gather feedback on performance, from the perspective of residents.

### ***Special achievements and awards during 2007/08***

Laingsburg Local Municipality has received a number of awards during the 2007/08 municipal financial year. Most notable are the following:

- Best Performing Municipality in the Central Karoo District (received from Department of Transport and Public Works)
- Second Runner-up in the Govan Mbeki Housing Awards (received from Provincial Government of the Western Cape)
- First prize in Category B - Provincial Vuna Awards for 2007/08 Financial Year (received from PGWCI Department of Local Government and Housing)
- First prize in Category B – National Vuna Awards for 2007/08 Financial Year (received from National Department of Provincial and Local Government)



# Contents

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|  |    |
|--|----|
| Executive summary .....                                  | i  |
| Vision and Mission .....                                 | 1  |
| 1 Mayor's Foreword.....                                  | 2  |
| 2 Statement by Municipal Manager .....                   | 3  |
| 3 Introduction.....                                      | 4  |
| 4 Overview of the Municipality .....                     | 5  |
| 4.1 Administrative overview.....                         | 5  |
| 4.1.1 Organogram .....                                   | 5  |
| 4.1.2 Corporate Services Department .....                | 6  |
| 4.1.3 Community and Technical Services Department .....  | 6  |
| 4.2 Geographic profile .....                             | 6  |
| 4.3 Demographic profile .....                            | 7  |
| 4.3.1 Population projections and growth rates .....      | 7  |
| 4.3.2 Demographic trends .....                           | 8  |
| 4.4 Socioeconomic profile.....                           | 8  |
| 4.4.1 Dwelling type .....                                | 9  |
| 4.4.2 Economic indicators .....                          | 9  |
| 4.4.3 Indigent Households .....                          | 9  |
| 4.4.4 Education .....                                    | 9  |
| 4.4.5 Crime .....  | 10 |
| 4.4.6 Trade and industry .....                           | 10 |
| 4.5 Performance against national indicators.....         | 11 |
| 4.5.1 National Statistics .....                          | 11 |
| 5 Governance and Intergovernmental Relations .....       | 13 |
| 5.1 Political overview.....                              | 13 |
| 5.2 Changes during the financial year .....              | 13 |
| 5.3 Performance Management .....                         | 14 |
| 5.3.1 Performance assessment of Section 57 Manager ..... | 14 |
| 5.3.2 Awards during 2007/08 .....                        | 14 |
| 5.4 Audit Functions.....                                 | 15 |
| 5.5 Oversight Report of Council.....                     | 15 |
| 5.6 Intergovernmental Relations .....                    | 15 |
| 6 Integrated Development Planning.....                   | 17 |

|          |  |           |
|----------|--|-----------|
| 6.1      | What has Laingsburg done to improve integrated development planning? ..... | 17        |
| 6.1.1    | Community Based Planning Approach .....                                    | 18        |
| 6.1.2    | IDP Slogan & Poem Competition .....  | 18        |
| 6.1.3    | Social Transformation Structure .....                                      | 19        |
| 6.1.4    | The Spatial Development Framework .....                                    | 19        |
| 6.2      | Public participation .....   | 20        |
| <b>7</b> | <b>Service delivery .....</b>  | <b>23</b> |
| 7.1      | Service provided in 2007/08 .....  | 23        |
| 7.2      | Service Delivery Statistics.....   | 24        |
| 7.3      | Backlogs.....  | 25        |
| 7.4      | Capital expenditure for each service.....                                  | 25        |
| 7.5      | MIG expenditure .....  | 26        |
| 7.6      | Housing.....   | 26        |
| 7.7      | Provision of Free Basic Services .....                                     | 26        |
| 7.8      | Spending priorities.....   | 27        |
| 7.9      | Performance across each service during 2007/08.....                        | 27        |
| 7.9.1    | Water Services .....   | 27        |
| 7.9.2    | Electricity .....  | 27        |
| 7.9.3    | Refuse removal/Solid waste .....   | 28        |
| 7.9.4    | Environmental Management .....   | 29        |
| 7.9.5    | Roads .....  | 30        |
| 7.9.6    | Housing .....  | 31        |
| 7.9.7    | Community Facilities .....   | 32        |
| <b>8</b> | <b>Institutional development and transformation .....</b>                  | <b>34</b> |
| 8.1      | Organisational structure .....   | 34        |
| 8.2      | Employment Equity .....  | 35        |
| 8.2.1    | Demographic comparison .....   | 35        |
| 8.2.2    | Section 57 managers and selected positions .....                           | 36        |
| 8.3      | Status of human resource plans .....                                       | 36        |
| 8.4      | Skills development .....   | 36        |
| 8.5      | Staff movements .....  | 37        |
| 8.6      | Service sharing and sub-contracting .....                                  | 38        |
| <b>9</b> | <b>Financial Viability.....</b>  | <b>39</b> |
| 9.1      | Introduction .....   | 39        |
| 9.2      | Performance against budgets .....  | 39        |
| 9.3      | Gross outstanding consumer debtors per service .....                       | 39        |
| 9.4      | Total debtors age analysis .....   | 40        |
| 9.5      | Total cost of staff as percentage of operating expenditure.....            | 40        |
| 9.6      | Level of reliance on grants and subsidies .....                            | 41        |

|           |  |           |
|-----------|--|-----------|
| 9.7       | Level of reliance on external funding.....       | 41        |
| 9.8       | Liquidity ratio.....                             | 41        |
| 9.9       | Financial policies.....                          | 41        |
| 9.10      | Financial Statement 2007/08.....                 | 42        |
| 9.11      | Auditor General's Report .....                   | 42        |
| 9.12      | Functional Service Delivery Reporting.....       | 42        |
| <b>10</b> | <b>Economic Development .....</b>                | <b>43</b> |
| 10.1      | Economic development initiatives in 2007/08..... | 43        |
| 10.2      | Poverty alleviation.....                         | 44        |
| 10.3      | Job facilitation.....                            | 45        |
| <b>11</b> | <b>Monitoring and evaluation .....</b>           | <b>47</b> |
| <b>12</b> | <b>Conclusion.....</b>                           | <b>48</b> |

## List of Tables

---

|           |   |    |
|-----------|---|----|
| Table 1:  | Distribution of population by race.....                                   | 7  |
| Table 2:  | Population figures and projections.....                                   | 7  |
| Table 3:  | Population growth rates .....   | 8  |
| Table 4:  | Demographic trends in Laingsburg .....                                    | 8  |
| Table 5:  | Laingsburg's performance against national indicators.....                 | 11 |
| Table 6:  | Council make-up in 2007/08.....   | 13 |
| Table 7:  | IDP Processes Checklist .....   | 17 |
| Table 8:  | Service Delivery Statistics 2007/08 .....                                 | 24 |
| Table 9:  | % split of capital expenditure per service .....                          | 26 |
| Table 10: | MIG expenditure .....   | 26 |
| Table 11: | Free Basic Service provision.....   | 26 |
| Table 12: | Transformation Statistics.....  | 35 |
| Table 13: | Transformation statistics at senior and middle management .....           | 35 |
| Table 14: | Transformation statistics at administration & general worker level ..     | 35 |
| Table 15: | Demographic information of LLM compared to municipality<br>workforce..... | 35 |
| Table 16: | Section 57 management.....  | 36 |
| Table 17: | Status of human resources plans .....                                     | 36 |
| Table 18: | Skills development .....  | 37 |
| Table 19: | Staff movements during 2007/08 .....                                      | 37 |
| Table 20: | Performance against budgets in 2007/08.....                               | 39 |
| Table 21: | Gross outstanding consumer debtors per service .....                      | 40 |
| Table 22: | Total debtors age analysis.....   | 40 |
| Table 23: | Total cost of staff as % of Opex.....                                     | 40 |
| Table 24: | Level of reliance on grants and subsidies .....                           | 41 |
| Table 25: | Liquidity ratio .....   | 41 |
| Table 26: | Financial policies .....  | 42 |
| Table 27: | Jobs created.....   | 46 |
| Table 28: | Performance indicators – public participation .....                       | 47 |



**List of Figures**

---

Figure 1: Reported crimes in Laingsburg between 2004-2007 .....10

Figure 2: Contribution of sectors to GDP in 2005 .....11

Figure 3: Laingsburg Municipality organisational structure .....34

## Vision and Mission

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### VISION

*That Laingsburg Municipality will be a desirable place to live, invest and visit, where all people may enjoy a sustainable quality of life by the year 2012*



### MISSION

*To create a people centered and economically viable municipality where all have equal access to i) basic social services, ii) educational and skills enhancement programmes, iii) entrepreneurial and job opportunities as well as, enjoy a: clean, sustainable environment embedded in safety and security, which is governed by a: participative, professional, transparent and accountable administration.*

*Laingsburg*

# 1 Mayor's Foreword

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*Executive Mayor of Laingsburg Local Municipality:  
Councillor R. Meyer*

## 2 Statement by Municipal Manager

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For the period under review we, at Laingsburg Municipality, have achieved a great deal. Through the support of all our devoted communities, councillors, officials and all our local structures, we have and will be continuing developing all our areas.

The Laingsburg Municipality focus was to ensure that we continue to make a difference in the lives of our people. In particular, we continued to respond rapidly to the best ideas of our communities.

The effective Area-Based planning approach worked well for us and its effective operation via the Area Committees made it possible for us to obtain the inputs of all our communities.

The success of Laingsburg Municipality could widely be attributed to the contributions and harmonisation between our matured politicians and our experienced administration.

The municipality has been recognised for its achievements, most notably by being awarded first prize in both the provincial and national competition of the Vuna Awards for 2007/08 in the local municipality category. These awards reflect our strong commitment to service delivery and good governance.

As the world is changing around us, we at Laingsburg Municipality can assure our citizens that we are geared to face any challenge, to respond and to keep up with the hopes and aspirations of our locals and to remain efficient and trustworthy.

As it is indeed an honour to present this report to you, allow me to congratulate our devoted citizens, councillors, officials and all our stakeholders for their support.

P.A Williams  
Municipal Manager



***Municipal Manager of Laingsburg Local Municipality:  
Mr. PA Williams***



### 3 Introduction

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This document represents the Annual Report for Laingsburg Local Municipality, for the 2007/08 Municipal Financial Year. It is submitted in terms of Section 46 of the Municipal Systems Act and Section 127 of the Municipal Financial Management Act.

The report provides an overview of the municipality's performance across the areas of:

- Governance and intergovernmental relations
- Integrated development planning
- Service delivery
- Institutional development and transformation
- Financial viability
- Economic development
- Monitoring and evaluation

The municipal financial statements and Auditor General Report for the 2007/08 financial year are also included in this report as per legislative requirement.



## 4 Overview of the Municipality

Laingsburg Municipality is a Category B Municipality in the Central Karoo District. It is the smallest local municipality in the Western Cape Province and in South Africa. The municipality covers an area of more than 8781,44 square kilometres (Population density about 1 person per square km) and is straddled by the N1 National Road. It is accessible from all the major cities of the Western Cape as well as Northern Cape, Eastern Cape, Free State and Gauteng Provinces, and is also situated on the main railway line.

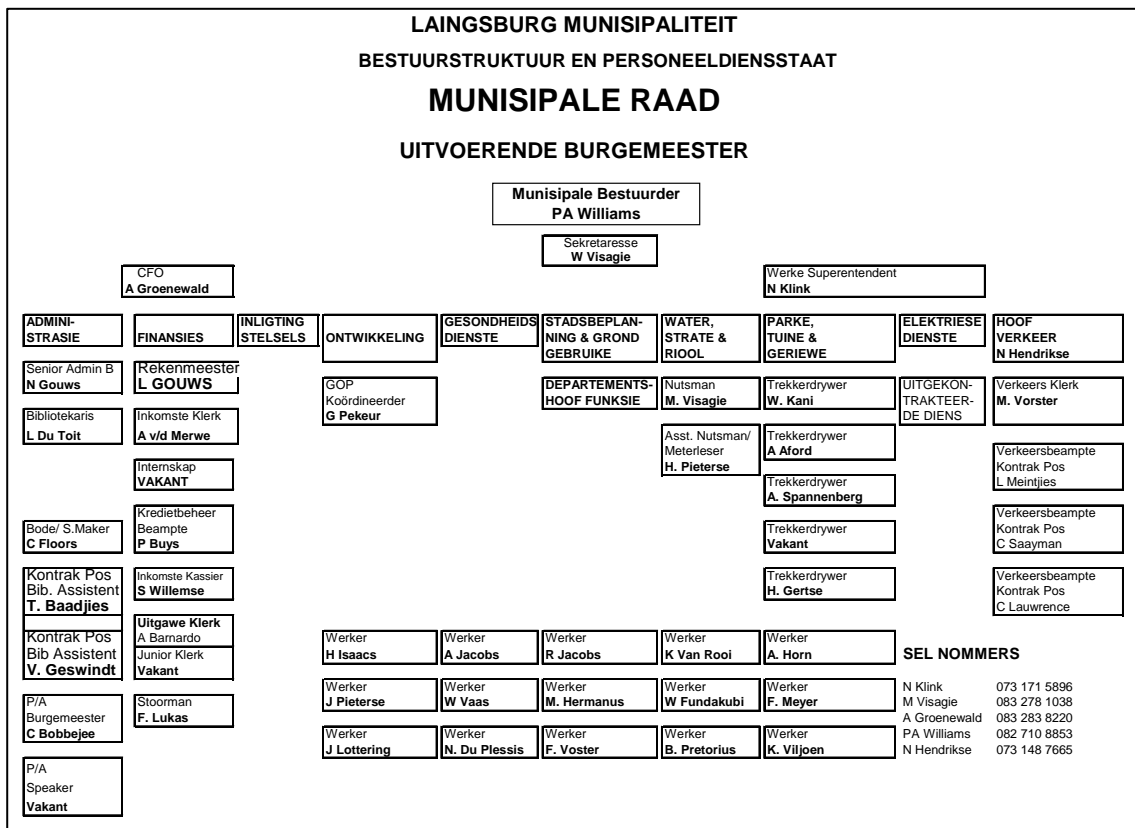
Laingsburg is divided into five areas. There is the area which is known as the town, two areas known as Göldnerville and Bergsig in Laingsburg. In addition, there is Matjiesfontein a small historical town 27 kilometres from Laingsburg in the Cape Town direction and Vleiland in the Swartberg area. The town is surrounded by farms, which forms part of the municipal area as per the Municipal Demarcation Board.

### 4.1 Administrative overview

#### 4.1.1 Organogram

The main structure of Laingsburg Local Municipality consists of the Municipal Manager, and two departments, namely *Corporate Services* and *Community and Technical Services*. The posts for the heads of both departments are currently performed by the Chief Financial Officer and Works Superintendent respectively. The Municipal Manager of Laingsburg Municipality is Mr. PA Williams.

The organogram for the municipality is shown below:



#### **4.1.2 Corporate Services Department**

Ms Alida Groenewald, the Chief Financial Officer, is heading this Department. The Corporate Service Department consists of the following sections:

- Administration, including the HR function and Library
- Finance
- Information Systems
- Integrated Development Planning
- Law Enforcement and Traffic



*Ms. A Groenewald*  
*Accountant/ Head of Corporate Services*

#### **4.1.3 Community and Technical Services Department**

Mr N. Klink, the Works Superintendent, is responsible for the functions of this Department. The Department consists of the following sections:

- Town Planning and Land Use
- Water, Streets and Sanitation
- Parks, Gardens and Amenities
- Electricity (contracted out)

### **4.2 Geographic profile**

The Laingsburg Municipality (WC051) is situated along the N1 route in the Western Cape province of South Africa, halfway between Cape Town and Beaufort West on the N1 National road. It consists of the towns of Laingsburg, Matjiesfontein and a large rural area. Passing transport is one of the most important markets for Laingsburg. Laingsburg is considered a geological wonderland. The town's total rainfall is about 50mm per year. The main water supply is the Buffels River. Summers are extremely hot and dry, with temperatures usually exceeding 30°C. Winters are crisp to sometimes very cold, with snow occasionally occurring in the surrounding region.

Laingsburg is the entry point to the Central Karoo District if driving from Cape Town along the N1 to Johannesburg. In terms of proximity to major urban centres, Laingsburg lies:



- 276 km from Cape Town
- 1300 km from Johannesburg
- 199 km from Beaufort West

Laingsburg is characterized by rural agriculture, consisting mainly of sheep farming, but also known for the production of soft fruits, especially in the southern part of the municipal area. The potential for the latter is however adversely affected by poor roads and long distances to major central areas. Good economic growth is prevalent and a growth rate of 4,59% was achieved between 1995 and 2004. This is spread over a variety of sectors, providing many job opportunities. Laingsburg characteristically plays a significant role in the Central Karoo economy, accounting for 10.6% of the District Gross Domestic Product per Region (GDPR).<sup>1</sup>

### 4.3 Demographic profile

According to the Demarcation Board Laingsburg Local Municipality covers the areas Laingsburg, Matjiesfontein, Vleiland, and 250 Farms (e.g. Bavians, Hillandale, Koringplaas, Koup, Pieter Meintjies, Rouxpos and Seweweekspoort).

The population is mostly urbanized and the area around Laingsburg is depopulated. The population density is approximately 1 person per km<sup>2</sup> and is also the smallest population in the country. The population of the municipal area is 7330 and has a total of 1959 households located in the municipal area. The biggest part of the population falls within the age group of 15-35 years, many of whom are unemployed.<sup>2</sup>

The population distribution by race is as per the table below.

*Table 1: Distribution of population by race*

| <i>Racial categorisation</i> | <i>African</i> | <i>Coloured</i> | <i>Indian</i> | <i>White</i> |
|------------------------------|----------------|-----------------|---------------|--------------|
| % population                 | 2%             | 83%             | 0.13%         | 15%          |

*Source: 2001 Census*

#### 4.3.1 Population projections and growth rates

The population estimates and growth figures for Laingsburg are as per the tables below.

*Table 2: Population figures and projections*

| <i>Year</i> | <i>Total population</i> |
|-------------|-------------------------|
| 2001        | 6808                    |
| 2006        | 7330                    |
| 2010        | 7720 (projected)        |

*Source: Laingsburg Local Municipality IDP, 2007.*

The findings indicate that the population is increasing at a rate of less than 1.5% over a five year period. It is projected that by 2010 the total population will increase to 7720.

<sup>1</sup> Laingsburg Local Municipality Integrated Development Plan (IDP), 2007.

<sup>2</sup> Laingsburg Local Municipality IDP, 2007.





**Table 3: Population growth rates**

| <i>Year</i> | <i>Population growth rate</i> |
|-------------|-------------------------------|
| 2001-06     | 1.49%                         |
| 2006-10     | 1.30%                         |

*Source: Laingsburg Local Municipality IDP, 2007.*

#### 4.3.2 Demographic trends

The table below provides an indication of demographic trends for the Laingsburg Local Municipality.

The findings indicate that LLM makes up only a small proportion of the total population in the Central Karoo District Municipality (CKDM). In addition, the municipality's population is made up of nearly 60% children and youth and the region has a median age of 27. This clearly has a significant impact on the developmental agenda of the region. Only 7% of LLM's population are aged. In terms of gender the percentages are almost evenly split between male (49%) and female (51%) and are in line with the national figures for gender distribution.

**Table 4: Demographic trends in Laingsburg**

| <i>Demographic Trends in the Laingsburg Region</i>                  |                    |
|---|--------------------|
| <i>Overall Population Percentage trends</i>                         |                    |
| Population size in 2006 as a proportion of district population size | 11.72%             |
| Population size in 2007 as a proportion of district population size | 11.87%             |
| Population proportion of Central Karoo District                     | 11.90%             |
| Proportion of population who are children or youths in 2007         | 59.20%             |
| Proportion of population who are aged (65-85 years) in 2007         | 7.00%              |
| Proportion Male   | 49%                |
| Proportion Female   | 51%                |
| <i>Population Growth rate trends</i>                                |                    |
| Growth rate of population in 2007                                   | 1.30%              |
| Growth rate of youth (15-35 years) population in 2007               | 1.80%              |
| Growth rate of the economically active population in 2007           | 1.70%              |
| Growth rate of aged population in 2007                              | 1.30%              |
| <i>Interesting Demographic Statistics</i>                           |                    |
| Median age  | 27 years           |
| Child dependency ratio  | 0.4 per 100 people |
| Aged dependency ratio   | 0.1 per 100 people |
| Increase in growth rate of aged population between 2006 and 2007    | 0.10%              |

*Source: Provincial Government of the Western Cape: Treasury, 2007.*

#### 4.4 Socioeconomic profile

Laingsburg is characterized by low household incomes, high unemployment levels and high levels of illiteracy. 42% of the population have less than 7 years formal education. Laingsburg holds the 27<sup>th</sup> place on the Provincial Index of Multiple



Deprivation, indicating a poor population that suffers from poverty and unemployment. This is also manifested in a rapid increase in drug related crimes.<sup>3</sup>

#### **4.4.1 Dwelling type**

In terms of the main dwelling type, the Census 2001 figures show that 95% of households in Laingsburg Local Municipality were brick structures on a separate stand or yard, with many of the remaining households residing in traditional dwellings or flats. The 2001 figures further show that less than 1% of households in the municipality were living in informal dwellings or shacks. The 2007 Community Survey which was undertaken by Statistics South Africa (Statssa), indicates that the percentage of households living in a house or brick structure on a separate stand or yard has declined to 85,4%. This shift (down from 95% in 2001) is likely to be due to there being 10% of households that are now residing in townhouses/clusters or semi-detached houses, according to the 2007 data. There has been a slight increase in informal dwelling from 0,9% in 2001 to 1,4% in 2007.<sup>4</sup>

In terms of tenure status 61.5% of households own their home, 55.5% of which are fully paid, while 21% are rent their current residence and 16% occupy their residence rent free, according to the Community Survey 2007 data.<sup>5</sup>

#### **4.4.2 Economic indicators**

Laingsburg LM has an unemployment rate of about 23% and it is estimated that literacy levels are around 42%. While these figures are low, the LLM fares comparatively better than the level for the entire district, where unemployment is estimated at 36% and literacy levels are comparatively lower at 37%. Around 5.7% of households in LLM have no income, compared to 7.6% in the entire district and 8.9% in the Western Cape Province. LLM's GDPR is around R66 million, accounting for nearly 10% of the total GDPR of the district which is estimated to be R705 million.<sup>6</sup>

#### **4.4.3 Indigent Households**

Poverty is one the most significant social challenges facing LLM. The number of indigent households in LLM increased from 605 in 2005 to 647 in 2007. By the end of the 2007/08 financial year, there were a total of 657 households which were classified as indigent (i.e. earning less than R1100 per month). One hundred percent of indigent households in Laingsburg Municipality had access to free basic services such as water, electricity and sanitation in the 2007/08 financial year. The municipality spent 43% of its equitable share allocation on the provision of free basic services.

#### **4.4.4 Education**

The Laingsburg Municipality LM has four secondary and primary schools, representing 14,3 per cent of schools in the District. There is one library located in the municipality and this is owned and funded by the Central Karoo District Municipality. The school enrolment trend has been declining since 2005 and the decline was more pronounced

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<sup>3</sup> Provincial Government of the Western Cape: Treasury, 2007.

<sup>4</sup> Statistics South Africa, 2007.

<sup>5</sup> Statistics South Africa, 2007.

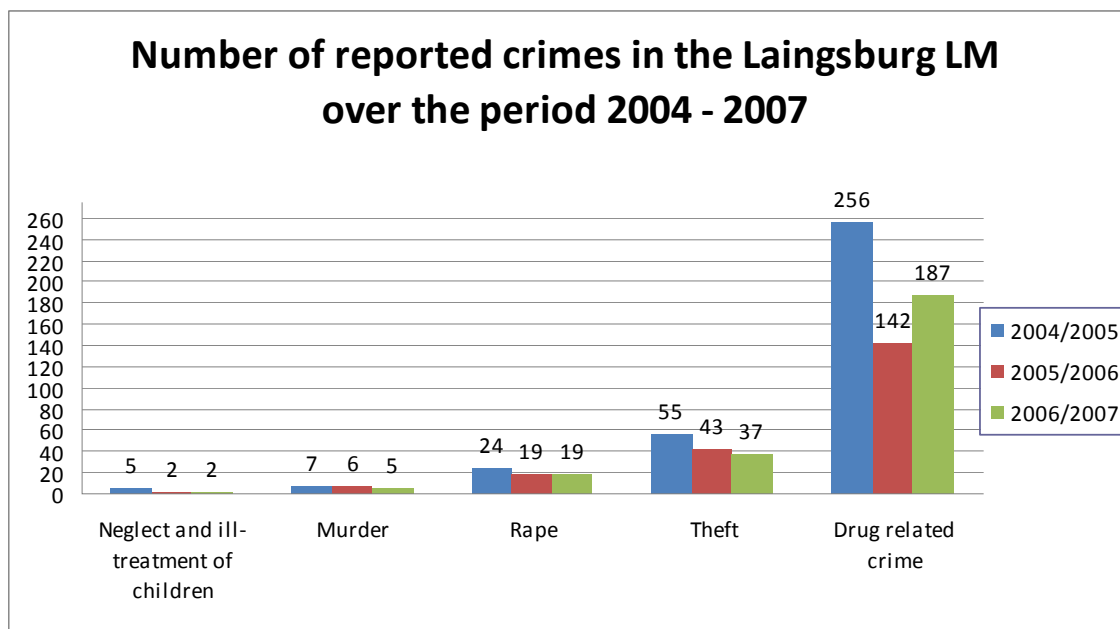
<sup>6</sup> Provincial Government of the Western Cape: Treasury, 2007.



in 2006, however the enrolment trend which increased from 1 053 pupils in 2006 to 1 121 in 2007.<sup>7</sup>

#### 4.4.5 Crime

Crime is a burden which Laingsburg Municipality has been trying to manage as effectively as possible. According to the South African Police Service crime statistics, the total number of crimes reported increased between 2005/06 and 2006/07 from 381 to 535, which could suggest that crime is on the increase, but also indicates that more people are taking a positive stand by reporting crimes, rather than leaving them unreported. Laingsburg has 2 police stations (out of 5 which are located in the CKDM region). As the graph below shows, crime has actually been decreasing across most crime types including serious crimes such as murder and rape as well as theft, however drug related crimes have however significantly increased.<sup>8</sup>



*Figure 1: Reported crimes in Laingsburg between 2004-2007*

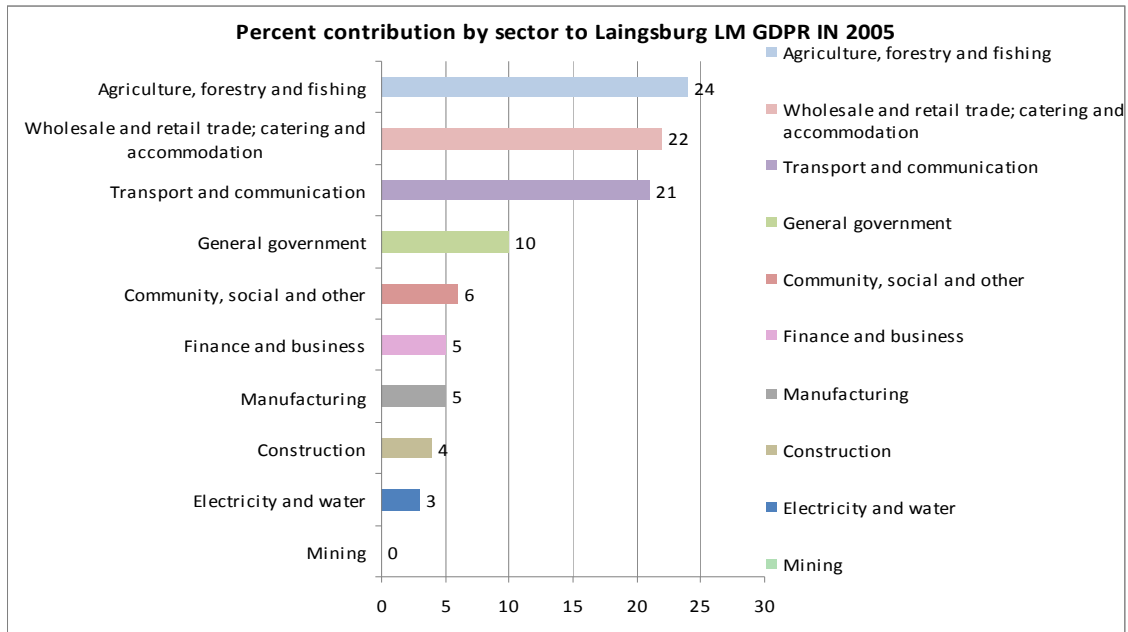
#### 4.4.6 Trade and industry

With respect to local industry, Laingsburg LM's main economic activity is split across a number of sectors. The most significant sectors contributing to Gross Domestic Product (GDP) are agriculture/ forestry/fishing sector (24%), wholesale/retail trade/catering and accommodation sector (22%) and transport and communication (21%). These figures, as shown below, are for 2005 and continue to reflect the current situation.<sup>9</sup>

<sup>7</sup> Provincial Government of the Western Cape: Treasury, 2007.

<sup>8</sup> Provincial Government of the Western Cape: Treasury, 2007.

<sup>9</sup> Provincial Government of the Western Cape: Treasury, 2007.



*Figure 2: Contribution of sectors to GDP in 2005*

## 4.5 Performance against national indicators

### 4.5.1 National Statistics

National Indicators, as set out in the Performance Management Regulations are shown in the table below, which illustrates LLM's performance across the three most recent financial years.

*Table 5: Laingsburg's performance against national indicators*

| <b>INDICATOR</b>  | <b>ACHIEVED<br/>2005 / 06</b> | <b>ACHIEVED<br/>2006 / 07</b> | <b>ACHIEVED<br/>2007 / 08</b> |
|---|-------------------------------|-------------------------------|-------------------------------|
| Percentage of households with access to all basic households services.  | 100%                          | 100%                          | 100%                          |
| Percentage of households earning less than R1300 per month with imputed expenditure with access to all free basic services. | 100%                          | 100%                          | 100%                          |
| Percentage of capital budget spent on projects identified in terms of the Integrated Development Plans (IDP'S)              | 68%                           | 83%                           | 95%                           |
| Number of jobs created through local economic development initiatives supported by the municipality.                        | No permanent jobs             | No permanent jobs             | No permanent jobs             |
| Percentage achievement of approved employment equity plan within the first three layers of management.                      | 100%                          | 100%                          | 100%                          |
| Percentage of skills levy received in rebate as a measure of the municipality's investment in                               | 100%                          | N/A                           | 100%                          |

| <b>INDICATOR</b>  | <b>ACHIEVED<br/>2005 / 06</b> | <b>ACHIEVED<br/>2006 / 07</b>                                   | <b>ACHIEVED<br/>2007 / 08</b>                            |
|---|-------------------------------|---|--|
| human resource development.   |                               |   |  |
| Financial viability defined as:<br>Debt coverage = (total revenue-conditional grants) / debt service payments | 16,3:1                        | Revenue :<br>R16,144,858<br>Conditional<br>Grant:<br>R2,015,092 | 0,98:1   |
| Outstanding debtors to revenue = total<br>outstanding debtors / annual revenue.                               | 10,3:1                        | Debtors:<br>R1,483,166<br>Revenue:<br>R16,144,858               | 14.9:1   |
| (cash inclusive of transfers + investments /<br>(monthly) salary / wage bill + average fixed<br>expenditure   | 8,5:1                         | Cash:<br>R10,392,784<br>Expenses:<br>R20,259,380                | <i>Current system<br/>not able to<br/>generate ratio</i> |

As the table above shows, LLM has been able to maintain its service levels and make improvements where possible e.g. capital spending has improved to 95% over the three year period shown.

## 5 Governance and Intergovernmental Relations

This section of the report provides a political and governance overview of the municipality during 2007/08.

### 5.1 Political overview

The political leadership of Laingsburg is currently made up of three political parties, the African National Congress (ANC), the National Peoples Party (NPP) and the Democratic Alliance (DA). The make-up of Council in 2007/08, which shifted due the ANC and NPP coalition, was and remains as follows:

*Table 6: Council make-up in 2007/08*

| <i>Position in Council</i> | <i>Party</i> | <i>Incumbent Name</i> |
|----------------------------|--------------|-----------------------|
| Mayor                      | ANC          | Ms. R. Meyer          |
| Speaker                    | NPP          | Mr. B. Kleinbooi      |
| Deputy Mayor               | NPP          | Mr. R. McKeet         |
| Councillor                 | ANC          | Mr. M. Gouws          |
| Councillor                 | DA           | Mr. W Du P Theron     |
| Councillor                 | DA           | Mr J De Bruyn         |

### 5.2 Changes during the financial year

The main changes which took place at the municipality in the 2007/08 municipal financial year relate to political changes in the Council of Laingsburg Local Municipal. This year has seen the election of new Mayor and the formation of a coalition between the African National Congress (ANC) and the National Peoples Party (NPP). The town is proud to have welcomed its first female Mayor, Ms. R. Meyer into office in April 2008.

Other major changes include the following:

- LLM appointed a Head of Technical Services.
- The Traffic Department of the municipality has been registered for the issuing of Learners Licenses, Professional Driving Permits (PDPs) and the renewal of drivers licenses.
- 2007/08 was the last year we did our financials according to the IMFO standards, next year we will go on GAMAP/GRAP.
- Officials completed the National Qualifications Framework (NQF) level six training from Wits Business School in financial management and development (called CPMD- Training).
- The municipal buildings were extended to include a safe, 5 offices, ladies bathroom, a toilet facility for the Municipal Manager's Office and a personnel room.
- The Speaker became full-time.



- A Personal Assistant (PA) was appointed for the new Mayor and one for the Speaker.

### **5.3 Performance Management**

The Performance Management System (PMS) of Laingsburg Local Municipality is steered by the priorities and strategic objective of the Integrated Development Plan (IDP). The link which has been established between the IDP and the PMS ensures that performance is measured against the 5 Key Performance Areas (KPAs) of local government, namely:

1. Municipal Transformation and Institutional (Capacity) Development
2. Improving Basic Service Delivery and Infrastructure Investment
3. Improve Local Economic Development (LED)
4. Improvement of Financial Viability and Financial Management
5. Strengthening Good Governance and Community Participation

The Revised PMS was adopted by Council in November 2007. The Municipal Manager introduced operational plans to measure lower level staff as a mechanism of appraisal, successfully developing a system to cascade the PMS to all levels within the municipality.

In addition, the municipality undertook the following in its effort to further develop its PMS:

- Performance Management Training was conducted to officials.
- The Performance Management System was computerized.
- The audit committee charter has been approved and is being used to ensure that the audit committee understands their duties and responsibilities. The audit committees hold quarterly meetings.

#### **5.3.1 Performance assessment of Section 57 Manager**

Laingsburg LM only has one Section 57 Manager, the Municipal Manager. His performance is assessed on an annual basis, against performance indicators aligned to the 5 KPAs. On the basis of this evaluation (which is undertaken by Council), his annual performance bonus is determined.

#### **5.3.2 Awards during 2007/08**

Laingsburg Local Municipality has received a number of awards during the 2007/08 municipal financial year. Most notable are the following:

- Best Performing Municipality in the Central Karoo District (received from Department of Transport and Public Works)
- Second Runner-up in the Govan Mbeki Housing Awards (received from Provincial Government of the Western Cape)
- First prize in Category B - Provincial Vuna Awards for 2007/08 Financial Year (received from Provincial Department of Local Government and Housing)



- First prize in Category B – National Vuna Awards for 2007/08 Financial Year (received from National Department of Provincial and Local Government)

## **5.4 Audit Functions**

The municipality held only two Audit Committee meetings in 2007/08 and the Annual Report was not addressed at these meetings. The Audit Committee was previously not functioning and 2007/08 was a year in which the municipality reactivated the committee. For the 2007/08 year, the municipality focused on training the committee members and it is hoped that from 2008/09 they will be equipped to deal with in-depth discussions on the Annual report, Financial Statements, Audit Report and other significant topics which were not dealt with by the committee in 2007/08. The 2007/08 Financial Year thus presented a stepping stone in the process of consolidating the functioning of the Audit Committee with the hope that it will be strengthened in the years ahead.

Because there is only one Section 57 employee with a performance contract, LLM does not have a performance committee as such. Council assesses the Municipal Manager's performance and decides on the performance bonus and therefore council is the only performance committee in place. This Performance committee only met once a year.

Both the Audit and Performance Committees did not face any problems in 2007/08, the Performance Committee reached consensus and the Audit Committee were still in training process for 2007/08.

With respect to Internal Audit, LLM makes use of a shared service in this regard, working in co-operation with Beaufort-West Local Municipality. To date, the sharing of this service has not been functional and the municipality performs internal audit functions internally. It is hoped that the service sharing arrangement will function in the coming year.

## **5.5 Oversight Report of Council**

The Oversight Report of Council included no comment on the Annual Report. Council was satisfied with the report.

Both Audit and Performance Committees did not face any problems in 2007/08, the Performance Committee reached consensus and the Audit Committee were still in training process for 2007/08.

## **5.6 Intergovernmental Relations**

The municipality forms part of the District Communication Forum (DCF) which meets every quarter to report on the 5 Key Performance Areas. The DCF consist of a co-ordination and a communication side.

Laingsburg Municipality is part of the Municipal Managers forum, the Speakers forum and the Mayors forum. We work closely with the district with regards to strategic planning such as the IDP, Disaster management, etc.

We have a Nodal team which includes the locals as well as a Nodal Steering committee which include state departments.





In addition to the DCFs discussed above, the Ministerial Technical Meetings (MTECs) are held with province and quarterly IYM meetings are held.

Laingsburg LM forms part of the ASB (Accounting Standards Board) working group in the District. We report monthly and quarterly to National Treasury and Province. Finances are reported on quarterly basis. The municipality has also completed its valuation process, in corporation with the CKDM.

***How effective have these meetings been?***

From LLM's experience, the meetings and forums have proven to be valuable for a number of reasons. The intergovernmental forums which Laingsburg form part of had lead to much better communication and co-operation between both the political and administrative spheres. If ever a municipality requires assistance, the various forum members are always willing to meet discuss the matter and developed solutions to address the specific needs of the municipalities.

In terms of capacity, the municipalities in the district are always willing to assist in addressing shortages by sharing skills and capacity to support under-staffed municipalities.

The provincial forums are valuable because they allow municipalities the chance to engage with province on key issues, ask questions, and solve problems. These forums have proven to be important mechanisms for supporting municipalities in addressing the needs and constraints of the developmental agenda.



## 6 Integrated Development Planning

Integrated Development Planning (IDP) is one of the key tools used by the South African Government to tackle its developmental role. The IDP process is meant to arrive at decisions on key issues such as municipal budgets, land management, promotion of local economic development and institutional transformation in a consultative, systematic and strategic manner. It therefore not only informs municipal management on key issues, but also guides the activities of other spheres of government, corporate service providers, NGO's and the private sector.<sup>10</sup> The IDP therefore sets the agenda for the municipality and it's imperative that all stakeholders and communities in particular are part of this process. Laingsburg local municipality has made the inclusion of communities in the IDP process a priority.

*Table 7: IDP Processes Checklist*

| <i>Was the IDP approved by Council and implemented?</i> | <i>Is the approved IDP seen as the single, inclusive and strategic plan for the municipality</i> | <i>Was the IDP prepared within set timeframes. Please specify time frames</i> | <i>Does the IDP include all core components as per MSA</i> | <i>Were community needs prioritised at ward level?</i> | <i>Was the SDF approved (date) prior to IDP approval by Council</i> | <i>Were sectoral plans prepared and included in the IDP (Names/#)?</i>             |
|---|--|---|--|--|---|--|
| Yes   | Yes  | Yes. It was completed before the end of relevant financial year.              | Yes  | Yes  | Yes   | Yes. The following sectoral plans were included: SDF, Housing, DM, LED, WSP, IWMP. |

### 6.1 What has Laingsburg done to improve integrated development planning?

The municipality undertook the IDP Roadshow as part of the Public Participation Programme and the IDP Review Process, to inform communities of the IDP and promote their participation in formulating the IDP Agenda. In addition the LLM undertook the following innovative IDP initiatives:

#### ***IDP Conference***

The municipality had a local IDP Conference, for planning, budgeting and implementation of the IDP. The conference took place at the Laingsburg Thusong Centre on 1 and 2 November 2007. In attendance were representatives from various sector departments who were brought together to discuss the strategic priorities for

<sup>10</sup> The dplg, 2007.



LLM and how these can be put into action. Sector departments present included Land Affairs, Community Safety, Transport, Finance and Tourism, Education, Health and Environmental Affairs as well as members from the Central Karoo District Municipality.

The main objective of the conference was to promote and increase the involvement of all relevant stakeholders, sectors and state departments and the district municipality to improve planning. It was also an opportunity to inform sector departments about the particular needs of Laingsburg communities and to develop approaches which can respond to these needs. More attention was drawn to economic and geographic development, focus was on infrastructure and basic services as well as socioeconomic issues. The conference gave sector departments that chance to identify their developmental role in Laingsburg, the services they already provide in Laingsburg and those that they still plan to do. The developmental role of the community was also identified during this conference. In addition, the conference was used as a vehicle to seek funding for priority projects which have been identified by communities.

### ***Outcome of the IDP Conference***

The municipality received funds from the Department of Social Development for the computer training facility in Laingsburg. Through this conference LLM has built good working relationships with other state departments, organizations as well as the community. It is hoped that this will contribute to future economic opportunities in the region. Overall, LLM sees the conference as a success and it represented an important building block in the process of addressing the economic needs of the municipality.

### **6.1.1 Community Based Planning Approach**

The municipality implemented the Community Based Planning approach as a planning tool. The approach allows the community (all social groups) to identify their needs, specifying not only what they need but proving a motivation for how certain projects will assist in improving their welfare. The municipality responds to this by developing plans which talk directly to the needs of the community and this feeds into the IDP.

### **6.1.2 IDP Slogan & Poem Competition**

In order to generate enthusiasm and interest in the importance of IDP among the youth of Laingsburg, the municipality ran a competition with schools. The aim of the competition was to educate learners as well as increase their awareness of development planning and how it works to improve their lives. The competition was two fold, focusing on the following:

- The IDP Slogan Competition, which was won by a pupil at Laingsburg High school. The Winning slogan: *"Together we can make Laingsburg a better place"*
- The Poem Competition, which was won by a group of pupils from Matjiesfontein Primary school who worked together to write the winning poem.



The Prizes included stationary, gifts as

well as an IDP bag which was given to the winners.

The initiative was successful in encouraging learners to engage with and the IDP. They learnt about the planning process in the IDP and could easily interpret it in their poems. They now understand how the IDP works and why it is important.

### **6.1.3 Social Transformation Structure**

The Social Transformation Structure was elected and launched. The structure is made up of members from the different organizations working in the Laingsburg area with a mandate to identify and develop approaches to addressing social problems in the area. It is hoped that these efforts will lead to improved income growth and social welfare in Laingsburg. The structure is involved in all sectors and is part of the IDP Consulting bodies. A good working relationship exists between the municipality, IDP, Community Development Workers and the Structure and a shared developmental approach is used.

### **6.1.4 The Spatial Development Framework**

The Spatial Development Framework of LLM was reviewed & approved by Council in 2007/08 and is linked to the:

- National Spatial Development Framework,
- Provincial Spatial Development Framework and the
- Central Karoo District Spatial Development Framework.

The SDF Speaks to the following:

- Town plans for Laingsburg & Matjiesfontein
- Environmental Conservation Strategy
- Urban Conservation Strategy
- Housing Strategy
- Integrated Waste Management Strategy
- Integrated Transport Strategy
- Densifications
- Urban Edging
- Heritage Strategy
- Natural Resource Strategy
- GIS Information
- Effective land use and management

### ***Integration of Schemes and Regulations***

The consultants who did the review of our Spatial Development Framework also looked at Integrated Schemes and the Regulations thereof. A Consultant was appointed to undertake Geotechnical Studies and an Environmental Impact Assessment. The information generated from these studies will be used in current and future projects, particularly around disaster management. It will also inform any developments which take place in LLM and will be used when planning in the municipal area.



### ***GIS (Geographical Information System)***

Prior to the review of the SDF, LLM did not have any GIS in place and it was a notable gap in the municipality's structure. The municipality now has a GIS in place and is able to improve service delivery as it can now assist with access to information and spatial planning. This is a significant achievement for the small municipality such as LLM.

## **6.2 Public participation**

The municipality sees public participation as a basic need and a democratic right. It is a vital element for good governance. Laingsburg actively seeks to include communities in its decision making and some of its most significant ventures in this regard are discussed below.

### ***Area Committees***

The municipality is one of only two municipalities in South Africa (the smallest two) which does not have any wards, due to its size. However, the municipality has three area committees (AC's) which fulfill the role of typical ward committees and are used for planning and consulting purposes. The area committees represent the most significant public participation vehicle of the municipality. The committees represent all social groups and are held accountable by the communities which they represent.

The municipality supports areas committees by offering an introductory course on how they are supposed to function. Each AC also has an assigned Councillor (who plays the role of Chairperson) and a Community Development Worker to assist in ensuring that the AC functions effectively. The AC's each hold a meeting at least once a quarter and more if necessary for consulting on priority issues. AC meetings are held before council meetings to make sure that their issues are tabled. The area committees are also being used by all departments in the municipality as the main consulting structures.

In 2007/08, a Community Launch was held to introduce the AC to the community as well as to give feedback on the plans compiled and the needs that were identified. The Plans was handed over to the Mayor so that it could be incorporated into the IDP for Planning Purposes.

### ***Local Surveys***

LLM conducted a number of surveys throughout the year. The surveys were used to gather information on specific issues and consult with communities on their priorities and needs. The municipality makes a special effort to employ the services of local people to conduct the surveys, thereby generating income and providing a training opportunity for these individuals.

- The municipality appointed 10 matriculates to do conduct fieldwork for a survey focused on service delivery and service needs. Special emphasis was put on farms and the identification of service backlogs on farms.
- The LLM's Community Development Workers conducted an IDP Survey for the Department of Housing.
- The Crime Prevention Committee of the LLM conducted a survey to consult with communities about crime. Specifically, this survey sought to investigate the

community's opinions on the cause and impact of crime and solutions to address the criminal activities which are taking place.

The information from the surveys was captured in a database and the data was included in the IDP. The municipality reported on the findings through the IDP area committee meetings held in the community.

### ***Media***

The municipality held an IDP media month in October 2007 and the IDP Coordinator arranged for a one-page spread in the *Courier* a regional newspaper, answering questions which communities had about the IDP and Development and Planning. In addition to this the following media related initiatives were used as vehicles to promote public participation:

- A Municipal Newsletter goes out quarterly, to inform households of any new developments, policies and activities taking place in LLM
- The municipality advertises relevant information and invites public participation in local newspapers
- The municipal website was developed and provides access to key documents such as the IDP, budget, SDF etc.

### ***Imbizo's***

The municipality held four Imbizos (including the Mayor's Imbizo week) to inform the community about municipal progress, the IDP and service delivery targets and achievements. At these Imbizo's service delivery needs were identified and questions about the municipality's plans were answered. A Pamphlet has been designed and distributed with the outcome of these Imbizo's.

### ***Complaints Management System***

A well managed complaints system was developed to assist with complaints. A complaint desk is in place and boxes have been placed at all public areas in the municipal area. An 8 hour complaint reaction system is in place to act on all complaints in good time.

### ***Functional Committees***

LLM has a number of committees which are in place and work towards improving the functioning of the municipality. The functional committees which are currently in place are:

- Area Committees
- Performance Management Committee
- Social Transformation Structure
- IDP Representation Forum
- Youth Council
- Thusong Management Committee
- Tourism Committee



- Audit Committee
- Disaster Management Committee
- Crime Prevention Structure
- Tourism Forum
- Health Committee
- MSAC Committee



## **7 Service delivery**

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Service delivery is a priority for the municipality, as it seeks to provide communities with a range of services which are affordable and address basic needs. The municipality has had to rely on service sharing in some areas due to internal capacity shortages. Laingsburg continues to provide a high level of service and there have been significant milestones in the 2007/08 financial year, most notably the completion of the Housing Plan, improved water provision, particularly in Matjiesfontein, water recycling and the implementation of an energy saving plan. This section of the report provides a more detailed picture of service delivery in LLM during 2007/08.

### **7.1 Service provided in 2007/08**

Laingsburg Local Municipality is responsible for providing the following services:

- Electricity delivery
- Water for household use
- Sewerage and sanitation
- Storm water systems
- Refuse removal
- Fire fighting services
- Municipal health services
- Decisions around land use
- Local roads
- Local public transport
- Traffic services
- Street trading
- Abattoirs and fresh food markets
- Parks and recreational areas
- Libraries and other community facilities
- Local tourism

Due its location, limited budget and size the municipality has not been able to afford or attract a full set of skills required across these services. Where capacity shortages have been experienced, the municipality has sub-contracted to local service providers where possible or utilized a shared service approach with municipalities in the region. These mechanisms have ensured that capacity constraints within the municipality have not hampered service delivery.





## 7.2 Service Delivery Statistics

In terms of the delivery of services during the 2007/08 Municipal Financial Year (FY), LLM has been able to achieve the following:

*Table 8: Service Delivery Statistics 2007/08*

| <i>Service delivery area</i>  | <i>Unit</i>          | <i>Delivery in 2007/08</i> |
|---|----------------------|----------------------------|
| <b>WATER</b>  |                      |                            |
| New water connections - Number of Households in the Water Service Authority (WSA) Area, that were provided for the first time in FY 2007/08, with at least a potable water supply within 200m of the dwelling | <i>Number</i>        | 116                        |
| New sanitation connections - Number of Households in the Water Service Authority (WSA) Area, that were provided for the first time in FY 2007/08, with at least a ventilated improved pit-latrane (VIP)       | <i>Number</i>        | 108                        |
| Total amount of water abstracted and/or purchased by the municipality (in Kilolitres) in FY 2007/08   | <i>Kilolitres</i>    | 283138                     |
| The total water which is supplied & metered (in Kilolitres) in FY 2007/08   | <i>Kilolitres</i>    | 255724                     |
| Metering Efficiency for water   | <i>%</i>             | 90%                        |
| Number of network bursts and leaks per 100 km of water pipe, experienced during FY 2007/08.   | <i>Number</i>        | 3                          |
| <b>ELECTRICITY</b>  |                      |                            |
| New electricity connections - Number of Households in the Electricity Service Authority Area, that were provided for the first time in FY 2007/08, with a legal electricity connection                        | <i>Number</i>        | 116                        |
| Total electricity that was generated and or purchased (in kWh) in FY 2007/08.   | <i>kWh</i>           | 6665788                    |
| The total electricity that was supplied & metered (in kWh) in FY 2007/08.   | <i>kWh</i>           | 6162326                    |
| Metering Efficiency for electricity   | <i>%</i>             | 92%                        |
| <b>SOLID WASTE MANAGEMENT</b>   |                      |                            |
| New Solid Waste service points - Number of Urban Households in the Service Authority Area, that were provided for the first time in FY 2007/08, with a weekly refuse collection service                       | <i>Number</i>        | 116                        |
| Total volume general waste collected in FY 2007/08 (m <sup>3</sup> )  | <i>m<sup>3</sup></i> | 810                        |
| Total volume of general waste recycled in FY 2007/08 (m <sup>3</sup> )  | <i>m<sup>3</sup></i> | 670                        |
| Percentage of volume of general waste collected that was recycled in FY 2007/08   | <i>%</i>             | 83%                        |
| Total volume of landfill in FY 2007/08 (m <sup>3</sup> )  | <i>m<sup>3</sup></i> | 23595                      |
| Total landfill volume licensed according to the terms of the Environmental Conservation Act in FY 2006/07 and 2007/08 (m <sup>3</sup> )   | <i>m<sup>3</sup></i> | 23595                      |
| <b>ROADS</b>  |                      |                            |
| Total kilometres of road which LLM is responsible for?  | <i>km</i>            | 28                         |
| Kilometres of new roads that was provided in FY 2007/08?  | <i>km</i>            | 1                          |
| Kilometres of road that was maintained and rehabilitated during FY 2007/08  | <i>km</i>            | 2                          |
| Total amount of Capital Budget allocated to roads (asset replacement, refurbishment and rehabilitation) in FY 2007/08   | <i>Rand</i>          | 60,000                     |
| Total amount of Operating Budget allocated to road maintenance  | <i>Rand</i>          | 2,960,345                  |



| <i>Service delivery area</i>   | <i>Unit</i>           | <i>Delivery in 2007/08</i> |
|--|-----------------------|----------------------------|
| in FY 2007/08  |                       |                            |
| Total amount of Capital Budget spent on roads (asset replacement, refurbishment and rehabilitation) in FY 2007/08                            | <i>Rand</i>           | 56,000                     |
| Total amount of Operating Budget spent on road maintenance in FY 2007/08   | <i>Rand</i>           | 2,895,137                  |
| <b>HOUSING</b>   |                       |                            |
| New houses - Number of new houses handed over to targeted recipients of low-income housing in FY 2007/08                                     | <i>Number</i>         | 108                        |
| <b>COMMUNITY FACILITIES</b>  |                       |                            |
| Total Number of Community Halls?   | <i>Number</i>         | 8                          |
| Number of households that lie within 2km radius of a community hall?   | <i>Number</i>         | 1070                       |
| Number of Sports Facilities?   | <i>Number</i>         | 3                          |
| Number of households that lie within 2km radius of Sports Facility?  | <i>Number</i>         | 1070                       |
| What area of parks and designated open spaces are available (km <sup>2</sup> )?  | <i>km<sup>2</sup></i> | 1                          |
| Number of households that lie within 2km radius of a park or designated open space?  | <i>Number</i>         | 1070                       |
| Total amount of your operating and maintenance budget allocated to community facilities in FY 2007/08?                                       | <i>Rand</i>           | 714,794.00                 |
| Total amount of this allocation that was spent on maintenance and rehabilitation of community facilities in FY 2007/08?                      | <i>Rand</i>           | 705,413.00                 |
| Percent of operating and maintenance budget allocated to community facilities in FY 2007/08 that was spent on maintenance and rehabilitation | <i>%</i>              | 99%                        |

### 7.3 Backlogs

LLM's only backlogs are in respect of housing. In 2007/08 there were 625 names on the housing waiting list and once built these houses would then require the associated basic services such as water, electricity, refuse removal etc. The number of houses on the waiting list increased from 2006/07 when the figure was 538. In addition, some houses in Matjiesfontein still belong to Transnet and the municipality is in the process of negotiating with Transnet for these houses. If these negotiations are successful, the backlog figures are likely to increase. It is not clear at this stage how many households this would include. Housing was thus a given significant focus in the 2007/08 financial year and the municipality continues to work towards improving the quality and quantity of housing delivery.

Across all the other services: water, sanitation, refuse removal, electricity and streets and storm water, Laingsburg had no backlogs in 2006/07 and 2007/08.

### 7.4 Capital expenditure for each service

Across each of the services which LLM provides, the municipality has been able to spend the full budget allocated. The municipality's capital expenditure is split across the services as per the table to follow.



*Table 9: % split of capital expenditure per service*

| <i>Financial Year</i> | <i>Housing</i> | <i>Water</i> | <i>Sanitation</i> | <i>Refuse Removal</i> | <i>Electricity</i> | <i>Streets &amp; Storm Water</i> | <i>Community facilities</i> |
|-----------------------|----------------|--------------|-------------------|-----------------------|--------------------|----------------------------------|-----------------------------|
| 2006/07               | 61.8           | 4.4          | 0                 | 0.8                   | 0.4                | 10.7                             | 6.7                         |
| 2007/08               | 42.3           | 15.3         | 5.2               | 0                     | 7                  | 11                               | 1.5                         |

## 7.5 MIG expenditure

The Municipal Infrastructure Grant (MIG) is the main source of income for the municipality in terms of capital income. LLM's total MIG allocations for 2006/07 and 2007/08 were spent. The table below provides an indication of the figures:

*Table 10: MIG expenditure*

| <i>Financial year</i> | <i>Available funding 2005/06 R'000</i> | <i>Amount spent R'000</i> | <i>% spent</i> |
|-----------------------|--|---------------------------|----------------|
| 2006/07               | 352 000                                | 352 000                   | 100%           |
| 2007/08               | 357 000                                | 357 000                   | 100%           |

## 7.6 Housing

The municipality spent 100% of its housing allocation and constructed 108 new houses, all of which were serviced.

## 7.7 Provision of Free Basic Services

LLM provided a combination of free basic services to both indigent and non-indigent households during the financial year. The table below provides an indication of the number of households served and the unit and rand value of the service provided.

*Table 11: Free Basic Service provision*

| <i>Service</i> | <i>Indigent households</i> |                    |                      | <i>Non- Indigent households</i> |                    |                      | <i>Households in Eskom areas</i> |                    |                   |
|----------------|----------------------------|--------------------|----------------------|---------------------------------|--------------------|----------------------|----------------------------------|--------------------|-------------------|
|                | <i>Number of hhs</i>       | <i>Unit per hh</i> | <i>Rand Value/hh</i> | <i>Number of hhs</i>            | <i>Unit per hh</i> | <i>Rand Value/hh</i> | <i>Number of hhs</i>             | <i>Unit per hh</i> | <i>Rand Value</i> |
| Electricity    | 769                        | 50kwh              | 20                   | 229                             | 0                  | 0                    | 300                              | 50                 | 20                |
| Water          | 769                        | 6kl                | 48.4                 | 229                             | 6kl                | 7.98                 |                                  |                    |                   |
| Sanitation     | 769                        | -                  | 52.5                 | 229                             | 0                  | 0                    |                                  |                    |                   |
| Refuse removal | 769                        | 0                  | 40.5                 | 229                             | 0                  | 0                    |                                  |                    |                   |

## **7.8 Spending priorities**

LLM's main spending priority in 2007/08 was housing. A total of 58% of the budget was allocated to this service.

## **7.9 Performance across each service during 2007/08**

### **7.9.1 Water Services**

All households in LLM have access to water on their dwelling site. However, water scarcity remains a possible threat and the municipality undertook an alternative water resources investigation to address possible water shortages which could face the municipality. This is especially important for Matjiesfontein which was in dire need of new water resources after its boreholes ran dry. The municipality's main aim was and still is to ensure adequate bulk water is available for Laingsburg and Matjiesfontein. The investigation concluded that it could be possible to use groundwater and another option presented was the use of recycled water.

The municipality also rehabilitated the Soutkloof Pipeline, which is linked to the municipality's main water source. Other water services initiatives include the following:

#### ***Laingsburg***

Two new boreholes were identified for Laingsburg and with the assistance of the Department of Water Affairs and Forestry (DWAF) the holes were drilled, yielding a good water supply. The project secured 50 temporary jobs of which 46% went to women and 60% was secured for the youth.

#### ***Matjiesfontein***

Four new boreholes were identified and with the financial assistance from DWAF the holes were drilled, which showed a very good supply of water. The residents of Matjiesfontein were provided with access to good quality and affordable water as a result of this undertaking, which offered much relief to these households. In total 93 temporary job opportunities were created through the borehole drilling.

#### ***House Gardens***

30 Households started House Gardens which assisted in putting food on their tables. The gardens also provided an income generating opportunity as they sold some of their crop to other households in the area. The project secured 93 temporary jobs and 475 people benefited from the project particularly female, single parent households.

### **7.9.2 Electricity**

The municipality entered into a contractual arrangement with a local contractor and in so doing aims to provide the very best electricity service to the community. The municipality aims to ensure that the community does not have any further power outages because of Eskom-related power cuts. As a result the municipal area experienced only a few outages due to repairs on generators etc. by Eskom.

The municipality made its own funds available to ensure that all households in the urban area having access to electricity. The municipality electrified eight houses in its Urban Conservation Area and 56 persons benefited from the project which was linked to the New Housing Project. The municipality only received funding for 50 of the 108



units and used its own revenue to electrify the remaining 58 houses. The National Energy Regulator (NERSA) then covered the costs of the electrification of these households after the project was completed.

The municipality did a study to provide Solar energy on Farms to workers houses who have to use alternative energy sources.

### ***Energy Saving Plan***

Laingsburg municipality has an energy saving plan in place in order to promote the efficient and wise use of electricity. To this end, the municipality has undertaken the following activities in order to reduce energy consumption:

- All high mass lights have been switched off
- 50% of street lights have been switched off
- LLM has implemented an energy saving campaign within the community to save at least 10% of energy during South Africa's Energy Crisis.
- LLM undertook a study to provide solar energy on farms to farmworkers' houses.

As a result of these initiatives, the municipality saw a 6% energy saving, which although small represents a step in the right direction. LLM hopes to continue its energy saving activities and make an even bigger contribution of energy saving in future.

### **7.9.3 Refuse removal/Solid waste**

The municipality started with the review of the Integrated Waste Management Plan in February 2008. Even though the municipality has limited capacity, a decision was taken that it will be done internally, rather than through a Consultant to ensure that it is implementable.

The municipality undertook a study to manage the landfill sites in a manner that is environmental friendly and affordable, so as to ensure the continued improvement of solid waste management.



### ***Recycling Project***

The recycling of solid waste is a priority for the municipality and LLM is proud to have initiated a recycling project. The main features of the recycling project are as follows:

- The municipality provided each household in Laingsburg and Matjiesfontein with:
  - A black bag (ordinary non-recyclable waste) and
  - A clear bag (for all types of recycling materials to make recycling easier) and
  - An information Brochure to assist with recycling.

- The municipality started the process with an Educational Programme at all school levels in order to raise awareness and generate enthusiasm about the project.
- In addition, the municipality undertook Community Educational & Awareness Programmes to get everyone involved and excited about recycling. The slogan was: *Recycling is everybody's Business!*
- The municipality appointed a BEE contractor to collect all the clear bags containing waste to be recycled and to deliver this to the Recycling Project at the Transfer Site. The initiative therefore also created employment opportunities for the unemployed who were involved in the sorting of waste.
- The municipality initiated a project to get the Matjiesfontein Primary School involved in Waste Removal, to collect the bags from the houses and take it to the Transfer Site as an educational Programme, and in return the municipality financially assists the school.



The project has been very successful and as a result the achievements include:

- 83% Recycling of Household Waste;
- Re-use of building rubble;
- All households are recycling and most of them see it as an opportunity to generate income.

### ***Cleaning project***

The municipality has a Cleaning Project and it provides 250 temporary job opportunities to keep the town clean especially public areas, parks, cemeteries, rivers and municipal storm water drainage as a mitigation method for flooding because Laingsburg is High Flooding Zone.

The programmes and projects were a success because the community is the most important partner in solid waste management and they were directly involved in making Laingsburg the safest and cleanest town in the Central Karoo region.

## **7.9.4 Environmental Management**

Environmental Management is very important for the municipality and the community. The municipality considered environmental management in all Sector Plans of the municipality e.g:

- Spatial Development Plan
- Water Services Plan
- Disaster Management Plan
- Integrated Waste Management Plan
- Housing Plans

The municipality, in co-operation with Central Karoo District Municipality started with a Region-wide Environmental Management Strategy to speak to environmental issues.



The municipality is situated in the Central Karoo Region and is very unique and the Laingsburg municipal area is rich in Heritage Sites which has to be managed. The municipality in co-operation with the Tourism Centre is looking after the natural resources and heritage sites.

The municipality fulfills its mandate in delivering basic services but rehabilitation of water networks and dams are of outmost importance to ensure the sustainability of resources and equipments.



### ***The Sewage Plant Upgrade***

The sewerage plant was upgraded to recycle water and re-use it for the Tree Planting Project which was expanded. The water is also being used for a Lucerne Garden, which is used to assist farmers in times for drought. The sewage water is being used 100% for both projects.

### ***Greening Projects***

The municipality implemented the following Greening Projects:

- Striking Garden Competition
- Tree Planting Days
- Greening Projects
- Karoo Garden
- Community Gardens
- Cleaning Projects



### ***Environmental Education***

The municipality in co-operation with the Tourism Centre Management started school environmental awareness programmes to educate school learners about; the environment and why conservation thereof is important, the unique environmental context of Laingsburg and its historic and cultural heritage.

## **7.9.5 Roads**

The municipality implemented a few key roads projects in the 2007/08 Municipal FY. The municipality is committed to the EPWP methods and uses labour intensive methods as well as easier rehabilitated and maintenance methods to empower and create job opportunities for the unemployed. Paving is used for that reason.

These are described in more detail below:

### ***Access Road for Matjiesfontein***

The Settlement of Matjiesfontein had no street infrastructure and locals drove on a road in the settlement which was unsafe causing many a accident in the settlement due to the lack of road infrastructure. The municipality constructed a 1 km access road for safety reasons.

### ***Upgrading of Voortrekker Street (Main Road, N1)***

This project started in December 2007 and is almost completed. The main road is being upgraded from the entrance of the town from Beaufort West direction, for safety reasons. A concrete wall was constructed in front of the Post Office and Standard Bank to prevent vehicles from driving into the buildings, something which has occurred in the past.

## **7.9.6 Housing**

In 2007/08 there were 625 names on the housing waiting list, an increase from 2006/07 when there were 538 names. The municipality's housing plan was developed as part of its strategy to increase the quality and quantity of housing delivery. The municipality approved its Housing Plan which is aligned to the IDP and is spatially shown in the SDF.

The municipality of Laingsburg was proud to be the 2<sup>nd</sup> Runner up for the Governor Mbeki Housing Awards during the 2007/08 year.

### ***Delivery of new houses***

The municipality completed the building of 108 houses in 2007/08 and used the following methods in completing the construction of these houses:

- The EPWP methods
- The municipality used the project as a skills development mechanism
- The municipality used local contractors
- Municipality used 100% local labour
- 40% of the employment opportunities created was secured by women
- 60% of the employment opportunities created was secured by youth
- 1% of the employment opportunities was for the disabled

Once completed, this housing project created 245 job temporary jobs.

### ***Innovative Housing Approach***

The municipality adopted a new Housing Approach, which was designed to fit the local context and was innovative in addressing local-specific needs rather than adopting the commonly used approaches to housing. Specifically this approach is unique because it is successful in:

- doing away from the "Smarty Town" Housing Approach
- building housing which is more suitable for the area by:
  - building Laingsburg Houses in a Karoo Architecture
  - building Matjiesfontein House in a British Architecture to link the housing projects to the National Monument (Matjiesfontein Village, The Lord Milner Hotel)
- including Solar Energy in all new developments





In terms of planning for future housing, the Department of Land Affairs in partnership with the municipality bought a farm close to the CBD and the farm will be used for housing purposes.

### **7.9.7 Community Facilities**

The 2007/08 year was a significant year for LLM in terms of meeting the needs of the community with respect to facilities for recreation as well as the maintenance and administration of these facilities. The main achievements in this area are listed below.

#### ***Upgrading of the JJ Ellis Sports Facility***

- LLM constructed a Netball Facility to be used by youth in the area

#### ***Upgrading of Matjiesfontein Community Hall***

- Renovated interior & exterior walls
- Provided facilities for the Aged (Herfs Blare)

#### ***Upgrading of the Thusong Service Centre***

- Constructed a Multi-Purpose Sports, Netball & Basketball Facility
- Renovated interior & exterior walls after cracks in the upper floor foundation were identified
- Used the centre as an emergency facility during flooding and as a trauma unit to support patients during major car accidents
- Also used the facility as a safe house when needed.



#### ***Upgrading of Matjiesfontein Sports Ground***

- Constructed a Netball Facility
- An agreement with the Lord Milner Hotel was reached to make the hotel tennis court available for the locals for tennis development.



#### ***Laingsburg Tourism Centre***

- Financial Assistance was provided to the Management to complete the centre and conference Facilities.
- Financial Assistance was provided to complete the workshop for the Central Leather Project.
- Assisted the centre to develop a Karoo Garden at the centre of a greening project.
- Assisted the centre with cleaning up after the 25 December 2007 Flood.

### ***Sports Forum***

- Assisted all sports codes to establish a Sports Forum.
- Assisted the Sports Forum with administration
- Provide Financial Support from Sport Codes and Sport Forum
- Worked together with Sports Forum and Role Players to host the Ultra Karoo Marathon
- Assisted the Laingsburg Athletics Club to host the Moordenaars Karoo 1/2 Marathon

The communities living in LLM are very active in sports and enthusiastic in supporting all sporting codes. LLM assisted the elderly members of the community (who are very motivated) with Golden Games initiated by the Department of Social Development.

### ***Libraries***

A Library in Matjiesfontein has been opened. The municipality entered into an agreement with Matjiesfontein Primary School to use a part of a school classroom as a Library.

### ***Public Transport Services***

With respect to public transport, LLM undertook the following initiatives:

- a study on Public Transport Plan
- a study on a Long Distance Taxi Rank
- a study on a cycling route



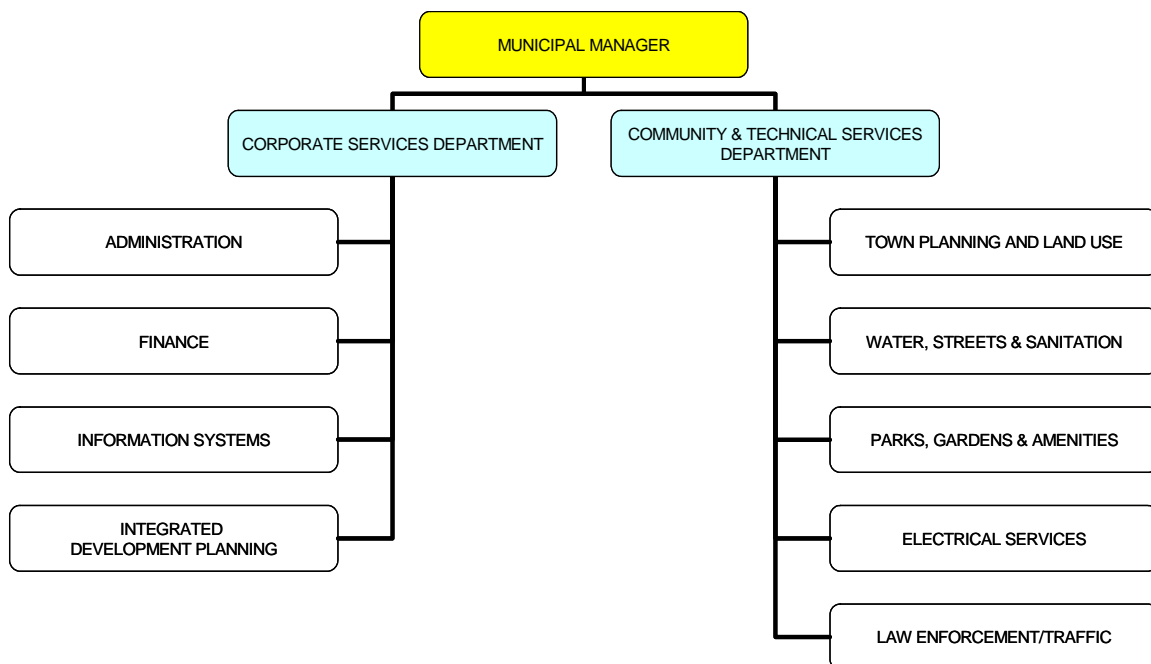
## 8 Institutional development and transformation

Laingsburg municipality has a relatively small staff base and has sought to utilise existing capacity as efficiently as possible, while drawing skills from other sources such as local contractors, when needed. Despite the capacity constraints which it faces, the municipality has achieved the following milestones in the 2007/08 Municipal Financial Year:

- Successful placement of staff
- Municipal Task Job Evaluation Process was completed
- The municipality implemented a one pay day and uniform payroll system
- Municipality implemented a uniform for office personnel to build unity and improve service delivery e.g. an attitude to match the uniform.

### 8.1 Organisational structure

The Organisational structure of Laingsburg Municipality is depicted below. The Municipal Manager is the only Section 57 appointee currently in place.



*Figure 3: Laingsburg Municipality organisational structure*

Organisational achievements include that 100% of posts in the organogram were filled in the 2007/08 municipal financial year. In addition, vacant posts were filled within three months of being vacant.

The table below indicates posts and vacancies in 2007/08.

**Table 12: Transformation Statistics**

| <i>All levels</i> |    |    |    |    |    |    |    |
|-------------------|----|----|----|----|----|----|----|
| AF                | AM | CF | CM | IF | IM | WF | WM |
| 1                 | 1  | 13 | 21 | 0  | 0  | 3  | 1  |

## 8.2 Employment Equity

LLM's employment equity figures are shown in the table below. In terms of female staffing figures, women make up 43% of the staff base of the municipality. A total of 6% of staff are classified as disabled.

**Table 13: Transformation statistics at senior and middle management**

| <i>Municipal Manager and MSA section 57 level</i> |    |    |    |    |    |    |    | <i>Middle Management / Supervisory level</i> |    |    |    |    |    |    |    |
|---|----|----|----|----|----|----|----|--|----|----|----|----|----|----|----|
| AF  | AM | CF | CM | IF | IM | WF | WM | AF   | AM | CF | CM | IF | IM | WF | WM |
|   |    |    | 1  |    |    |    |    |  |    | 2  | 2  |    |    | 1  |    |

While Section 57 Management is 100% black, there is no women represented at this senior level as yet. However, women are represented at the middle-management and supervisory level.

**Table 14: Transformation statistics at administration & general worker level**

| <i>Administrative Officer level</i> |    |    |    |    |    |    |    | <i>General Worker level</i> |    |    |    |    |    |    |    |
|-------------------------------------|----|----|----|----|----|----|----|-----------------------------|----|----|----|----|----|----|----|
| AF                                  | AM | CF | CM | IF | IM | WF | WM | AF                          | AM | CF | CM | IF | IM | WF | WM |
|                                     |    | 10 | 4  |    |    | 2  |    | 1                           | 1  | 1  | 17 |    |    |    | 1  |

### 8.2.1 Demographic comparison

LLM's employment figures are in line with the racial demographics of the municipal area. The table below shows that the proportion of staff in each racial group matches that of the racial make up of Laingsburg Municipality.

**Table 15: Demographic information of LLM compared to municipality workforce**

|                                | <i>Total Population</i> | <i>African</i> | <i>Coloured</i> | <i>Indian</i> | <i>White</i> |
|--------------------------------|-------------------------|----------------|-----------------|---------------|--------------|
| Total population               | 7080                    | 354            | 6089            | 3             | 566          |
| %                              | 100                     | 5              | 86              | 0.0004        | 8            |
|                                |                         |                |                 |               |              |
| Total municipal staff employed | 43                      | 2              | 37              | 0             | 4            |
| %                              | 100                     | 5              | 86              | 0             | 9            |

### 8.2.2 Section 57 managers and selected positions

In terms of Section 57 Management, there is only one post (Municipal Manager) and this has been filled, with the contract and performance agreement in place.

*Table 16: Section 57 management*

| <i>#<br/>Positions</i> | <i>Position</i>   | <i>#<br/>Filled</i> | <i>Employment<br/>contracts in place</i> | <i>Performance<br/>agreements in<br/>place</i> |
|------------------------|-------------------|---------------------|--|--|
| 1                      | Municipal Manager | 1                   | Yes                                      | Yes  |
| 1                      | S57 appointees    | 1                   | Yes                                      | Yes  |

### 8.3 Status of human resource plans

All the relevant human resource policy and plans have been developed and implemented, as shown in the table below. A total of 5% of the budget was spent on skills development in 2007/08.

*Table 17: Status of human resources plans*

| <i>Policy/ Plan</i>       | <i>Developed and<br/>implemented</i> | <i>Percentage of budget<br/>spend on skills<br/>development plan</i> |
|---------------------------|--------------------------------------|--|
| Recruitment and selection | Yes                                  | 5%   |
| Performance management    | Yes                                  |  |
| Skills development plan   | Yes                                  |  |
| Employment equity plan    | Yes                                  |  |
| HRD and HRM policies      | Yes                                  |  |

### 8.4 Skills development

In terms of skills development, LLM implemented its approved Workplace Skills Development Plan for 2007/08 and received a rebate from Service Sector Education and Training Authority (SETA).

The municipality with the smallest personnel figures (35) is pleased to observe that three officials successfully completed the CPMD training at the Wits University. The following list shows the number of staff trained on courses during the 2007/08 Municipal Financial Year. Specific achievements in terms of staff training are shown in the table to follow.

**Table 18: Skills development**

| <i>Training Course</i>               | <i>No of Staff trained</i> |
|--------------------------------------|----------------------------|
| CPMD                                 | 4                          |
| Senior Management                    | 4                          |
| Peace Officers                       | 4                          |
| EMS – Level 3                        | 5                          |
| EMS – Level 1 & 2                    | 4                          |
| Batho Pele                           | 2                          |
| Supply Chain Management              | 5                          |
| Fire Fighting                        | 4                          |
| Traffic                              | 4                          |
| Sewerage Works                       | 4                          |
| Water and Sanitation                 | 9                          |
| Risk Management                      | 1                          |
| Records Management                   | 1                          |
| Skills Development                   | 5                          |
| NaTIS (National Traffic Info System) | 3                          |
| Disaster Management                  | 2                          |
| Housing                              | 1                          |
| LED                                  | 1                          |
| Waste Management                     | 4                          |

## 8.5 Staff movements

Staff Movements in terms of terminations, appointments and promotions for the 2007/08 financial year are indicated in the table below.

**Table 19: Staff movements during 2007/08**

|              | <i>MALE</i> |          |        |       | <i>FEMALE</i> |          |        |       |
|--------------|-------------|----------|--------|-------|---------------|----------|--------|-------|
|              | African     | Coloured | Indian | White | African       | Coloured | Indian | White |
| Terminations |             | 1        |        |       |               |          |        |       |
| Appointments |             | 2        |        |       |               |          |        |       |
| Promotion    |             | 1        |        |       |               | 1        |        | 1     |

## **8.6 Service sharing and sub-contracting**

The municipality used the Shared Service approach to attract scarce skills and address the capacity shortages which it currently faces. By sharing services with other municipalities in the area and using sub-contracted professionals as required, the municipality has been able to supplement its own capacity to ensure that service delivery takes place as planned. This approach was expanded in the last year and following service sharing arrangements were (and remain) in place:

- The municipality has an agreement with the Beaufort West Municipality for the use of their Internal Auditor to do its internal auditing
- The municipality has an agreement with Central Karoo District Municipality for the use of a Health and Building Inspector for health and building needs in the municipal area.
- LLM uses a local Contractor for Electricity on a time and cost basis
- The Town Planner used is from Worcester
- Engineering services are procured from a Cape Town-based engineer, when needed.



## 9 Financial Viability

This section of the Annual Report covers aspects related to financial viability and management for the 2007/08 municipal financial year.

### 9.1 Introduction

Laingsburg local municipality has a solid record of financial management. In 2007/08 it sought to improve its financial viability by embarking on a campaign to increase its revenue/rates collection record, implement a credit control and debt collection policy and uphold a 30 day return on debt. The municipality also had no external loans or debts in the financial year and was able to write off any irrecoverable debt.

Despite these achievements, LLM does face significant challenges in terms of financial viability, including the following:

- It has a small revenue base
- Households are heavily reliant on grants
- 74% of households earn less than the minimum income levels
- Drought and financial constraints facing farmers impacts the municipality
- LLM lacks own funding to implement the IDP and some capital projects
- Capacity shortages and lack of resources to attract certain skills

### 9.2 Performance against budgets

LLM's performance against budget is shown in the table below. The figures indicate that the municipality generated more revenue than it budgeted for and furthermore its operating expenditure was also higher than the budgeted amount, by 7.29%.

*Table 20: Performance against budgets in 2007/08*

| <i>Financial year</i> | <i>Revenue</i>          |                         |                        |                    | <i>Operating expenditure</i> |                         |                        |                    |
|-----------------------|-------------------------|-------------------------|------------------------|--------------------|------------------------------|-------------------------|------------------------|--------------------|
|                       | <b>Budget<br/>R'000</b> | <b>Actual<br/>R'000</b> | <b>Diff.<br/>R'000</b> | <b>% deviation</b> | <b>Budget<br/>R'000</b>      | <b>Actual<br/>R'000</b> | <b>Diff.<br/>R'000</b> | <b>% deviation</b> |
| 06/07                 | 17 054 428              | 18 183 170              | 1 128 742              | 6.62               | 17 156 964                   | 18 019 237              | 862 273                | 5.03               |
| 07/08                 | 19 359 014              | 20 763 816              | 1 404 802              | 7.26               | 19 348 852                   | 20 758 963              | 1 410 111              | 7.29               |

### 9.3 Gross outstanding consumer debtors per service

The municipality experienced an increase in outstanding consumer debt between 2006/07 and 2007/08 across all sectors.





**Table 21: Gross outstanding consumer debtors per service**

| <i>Financial Year</i> | <i>Rates</i><br><i>(elec, water, sewerage, water) R'000</i> | <i>Government</i><br><i>R'000</i> | <i>Rentals</i><br><i>R'000</i> | <i>Housing</i><br><i>R'000</i> | <i>Property Tax</i><br><i>R'000</i> | <i>Total</i><br><i>R'000</i> |
|-----------------------|---|-----------------------------------|--------------------------------|--------------------------------|-------------------------------------|------------------------------|
| 2006/2007             | 287,896   | 326,141                           | 0                              | 145,751                        | 643,948                             | 1,483,167                    |
| 2007/2008             | 343,374   | 581,719                           | 44,560                         | 153,484                        | 896,402                             | 2,705,535                    |
| Difference            | 55,478  | 255,578                           | 44,560                         | 7,733                          | 252,454                             | 1,222,368                    |
| % growth year on year | 19%   | 78%                               | -                              | 5%                             | 39%                                 | 82%                          |

#### 9.4 Total debtors age analysis

The total debt is shown below, indicating a 2.2% growth year on year, between 2006/07 and 2007/08 municipal financial years.<sup>11</sup>

**Table 22: Total debtors age analysis**

| <i>Financial Year</i> | <i>Total Debt</i> |
|-----------------------|-------------------|
| 2006/2007             | 1 483 166         |
| 2007/2008             | 1 450 750         |
| Difference            | 32 416            |
| % growth year on year | 2.2               |

#### 9.5 Total cost of staff as percentage of operating expenditure

Staff costs in 2007/08 were 28% of the total operating expenditure, an increase of 1% compared to the previous year's figures for this indicator. The figure is low relative to national norms and could be indicative of capacity gaps.

**Table 23: Total cost of staff as % of Opex**

| <i>Financial year</i> | <i>Total Expenditure salary and allowances</i><br><i>(R'000)</i> | <i>Total Expenditure</i><br><i>(R'000)</i> | <i>Percentage</i><br><i>(%)</i> |
|-----------------------|--|--|---------------------------------|
| 2006/2007             | 5 389 824  | 16 865 148                                 | 27                              |
| 2007/2008             | 6 658 493  | 18 999 325                                 | 28                              |

<sup>11</sup> It should be noted that the current financial software used by the municipality does not allow for a more detailed breakdown of debtors age analysis.

## 9.6 Level of reliance on grants and subsidies

The municipality's low revenue base makes it somewhat dependent on grants and subsidies. A total of 34% of LLM's operating revenue in 2007/08 came from grants and subsidy transfers received, increasing slightly from 32% in the previous year. These figures are reasonable in light of the contextual factors facing the municipality and its status as a Category B3 local municipality.<sup>12</sup>

*Table 24: Level of reliance on grants and subsidies*

| <i>Financial year</i> | <i>Total grants and subsidies received<br/>(R'000)</i> | <i>Total Operating Revenue<br/>(R'000)</i> | <i>Percentage<br/>(%)</i> |
|-----------------------|--|--|---------------------------|
| 2006/2007             | 6 068 210  | 18 885 878                                 | 32                        |
| 2007/2008             | 7 805 909  | 22 846 387                                 | 34                        |

## 9.7 Level of reliance on external funding

Laingsburg had no external loans or debt in the 2007/08 financial year.

## 9.8 Liquidity ratio

The municipality's liquidity ratio has increased over the last three financial years, putting it in a good position with respect to its ability to meet short term financial commitments. This increase in liquidity ratio can be attributed to an increase in assets and a reduction in liabilities over the period.

*Table 25: Liquidity ratio*

| <i>Financial year</i> | <i>Net current assets<br/>(R'000)</i> | <i>Net current liabilities<br/>(R'000)</i> | <i>Ratio</i> |
|-----------------------|---------------------------------------|--|--------------|
| 2005/2006             | 13 478 180                            | 3 401 507                                  | 3.96:1       |
| 2006/2007             | 15 045 860                            | 3 482 744                                  | 4.32:1       |
| 2007/2008             | 16 161 766                            | 3 221 482                                  | 5.01:1       |

## 9.9 Financial policies

The table below provides an indication of the financial policies in place during 2007/08 as well as the progress which the municipality has made in implementing these.

<sup>12</sup> A set of municipal sub-categories were developed for the Municipal Infrastructure Investment Framework and the Municipal Fiscal Framework (MFF) projects, and are intended to reflect the variations in settlement type and institutional form between municipalities. A B3 municipality is typically a small town with a rural population.

**Table 26: Financial policies**

| <i>Policy</i>               | <i>Approved by council</i> | <i>Implemented</i> | <i>Promulgated in By-Law</i> |
|-----------------------------|----------------------------|--------------------|------------------------------|
| Tariff policy               | Yes                        | Yes                | No                           |
| Credit control policy       | Yes                        | Yes                | No                           |
| Indigent policy             | Yes                        | Yes                | No                           |
| SCM policy                  | Yes                        | Partly             | No                           |
| Valuation policy            | Yes                        | Yes                | No                           |
| Investment policy           | Yes                        | Yes                | No                           |
| Asset management policy     | Yes                        | Yes                | No                           |
| Financial management policy | Yes                        | Yes                | No                           |

## **9.10 Financial Statement 2007/08**

The Financial Statements for the 2007/08 Municipal Financial Year are attached as Annexure A.

## **9.11 Auditor General's Report**

As in 2006/07, Laingsburg Local Municipality once again obtained an Unqualified Audit Opinion in 2007/08.

The Auditor General's Report for the 2007/08 Municipal Financial Year is attached to this document as Annexure B.

## **9.12 Functional Service Delivery Reporting**

The Functional Service Delivery Reporting figures for the 2007/08 Municipal Financial Year are attached to this document as Annexure C.

## 10 Economic Development

Laingsburg Local Municipality's economic development approach was guided by its Local Economic Development (LED) Strategy. The municipality aims to promote LED through a host of locally driven initiatives as well as through infrastructure development. The strategy was approved in June 2007 and was preceded by an extensive public participation process which included community liaison and engagement with stakeholders from the public and private sectors. The Central Karoo District Municipality contributed to the formulation of the strategy and the Provincial Government of Western Cape was also actively involved in the development of the plan. While the municipality does not have an LED forum as such, it makes use of existing forums which act as participative structures, e.g. the Agri Forum, Area Committees etc to engage on LED related issues. The estimated time frame for implementing the LED is five years; however current financial constraints have made implementation particularly difficult.

### 10.1 Economic development initiatives in 2007/08

The municipal mandate as per legislation is to promote an environment which enables local economic development. LLM has undertaken to fulfill this mandate by carrying out the following economic initiatives in 2007/08:

#### *Preferential Procurement*

The Municipality is committed to procurement, and implemented its IDP Approach to Preferential procurement through supply chain management and awarded all contracts to BEE Local Contractors & SMME's to empower the locals.

#### *The Municipality contributed R150 000 to the Tourism Centre for:*

- Tourism Promotion and marketing
- Tourism Awareness Programmes
- Operational Costs

Municipality Assisted the Tourism Centre with the starting of the entrance to the Cape Karoo.

#### *The following skills development projects were undertaken:*

- Reviving the Computer School
- Youth Development Programmes
- Leadership & Life Skills Programmes
- ABET Classes
- Level 3 Medical Training
- HIV /AIDS Training
- How to Start A Business Training
- Bath Salt Manufacturing Training
- Tile Decorating Training
- Tourism Training
- International Computer Training



### ***Early Childhood Development***

In order to promote early childhood development, LLM contributed towards setting up the following initiatives:

- Care Bears in Matjiesfontein
- Moemfies for Infants

### ***Other Projects***

- Municipal Learners Examinations: Previously the community had to travel 200km and more to get learners Driver Licenses and the LLM had responded to their needs by enabling the community to write their Learners Exam in the town.
- The municipality is part of Partnership in Development with the RED Door
- A Study was done for an Economic Development Agency

## **10.2 Poverty alleviation**

Poverty is one of the most significant social challenges facing Laingsburg. In addition to providing Free Basic Services to poor households, the municipality actively seeks to address poverty through various poverty alleviation initiatives.

Some of the most important projects which LLM was involved in initiating and supporting in 2007/08 include the following:

### ***Arts & Craft Projects***

- Beading Project
- Mini Leather Project
- Wool Project
- Clothing Project

Training was also provided in all of the above mentioned as well as to develop a unique project for Laingsburg. 80% of women and 90% youth are involved in this project. The projects accommodated 60% of HIV/AIDS effected and infected people.

### ***Greening Project***

The municipality has a clean-up project in Laingsburg and Matjiesfontein to provide temporary employment on a rotation basis to provide food on the table for the poorest of the poor. The project provided 236 employment opportunities to the communities.

### ***Soup Kitchens***

3 Soup kitchens were and are still are operating in Matjiesfontein, Bergsig and Goidnerville to provide food to the poorest of the poor as well as for children during school holidays.

### ***Food Garden***

The community garden was extended with 1 ha and was managed by 10 Women and 2 men from the community. The garden was a great success and provided vegetables to the poor. The rest was sold to ensure the garden is sustainable.



### ***Mayoral Golf Day in support of Bursary Scheme***

The municipality held a Mayoral Golf Day, the Cape Karoo Classic as a fundraising project to raise funds for the bursary scheme, the main aim of which is to provide bursaries for matriculates and students from disadvantaged communities. The bursary aims to motivate scholars to specialize in scarce skills so that they can be brought into the Laingsburg Economy. This would then reduce the need for skills to be sourced from outside of the LLM.



### ***Review of the Indigent Policy***

The municipality reviewed the Indigent Policy to assist more of the poor with free basic services. The qualifying Household income increased from R1300.00 to R1500.00, excluding the welfare of children. The indigent households received, 6kl free water, 50Watt Electricity, free Refuse removal, free sanitation and free property Rates. All households in the urban areas received 6kl water.

The LLM subsidises free water for schools. An amount of R120 000 was distributed to all schools in Laingsburg.

### ***Raising awareness about poverty alleviation benefits to communities:***

- Laingsburg Municipality conducts door to door visits to inform the community on how they benefit from it and can apply for it.
- On two occasions the municipality implemented a system of Mobile Applications in Matjiesfontein, in order to assist residents who were unable to access the municipality directly.

## **10.3 Job facilitation**

LLM sees job creation as an opportunity to lift the community out of poverty. The Expanded Public Works Programme is one the chief vehicles which LLM uses for creating jobs. The municipality received an award from the Department of Transport and Public Works as the ***Best Performing Municipality in the Central Karoo District.***

The Municipality's objectives were targeted at SMME's & Entrepreneurial Development and the following Projects & Programmes were implemented:

- Monthly Street Carnivals & Street Markets
- Out Contracting of Recycling Project
- Needle Work Projects in Laingsburg & Matjiesfontein
- Coffin Making Project
- Brick Making Project

The following table shows the number of jobs created through each initiative:

*Table 27: Jobs created*

| <b><i>Project</i></b>                       | <b><i>Number of jobs</i></b> |
|---|------------------------------|
| Working for water                           | 64                           |
| Cleaning Project                            | 250                          |
| Brick Making Project                        | 40                           |
| Coffin Making Project                       | 24                           |
| Needlework Project                          | 24                           |
| Casual Labours, to assist Municipal Workers | 30                           |
| Matjiesfontein Lighting Project             | 48                           |
| Matjiesfontein Pipeline                     | 93                           |
| Soutkloof Pipeline                          | 10                           |
| Expansion of Municipal Building             | 15                           |
| 25 December 2007 Flood Damage Repair        | 20                           |

Overall 610 Job Opportunities were provided and 3090 people benefited from these job creation opportunities. Thus 42% of the population benefited from the job creation initiatives. The municipality established a database with all unemployed individuals' data, for job creation purposes. The municipality works strictly from the database to accommodate everyone.

## 11 Monitoring and evaluation

While there is no single M&E system, LLM makes use of a host of mechanisms to assess progress. The municipality utilises its Performance Management System to monitor progress against the IDP. It also monitors progress towards achieving targets set through the SDBIPs.

Additional mechanisms for monitoring are the use of public surveys to assess needs and monitoring satisfaction with service delivery. Internal reporting such as reports to Council and Management reports are other ways that the municipality monitors performance on an on-going basis. In addition, LLM hosts a number of public participation events throughout the financial year.

Many Council meetings are also open to the public and in 2007/08, 14 of the 20 Council meetings (70%) were open. The municipality also engages with stakeholder organisations, regularly communicating on issues relevant to communities.

The table below provides an indication of the municipality's performance in terms of public participation and engagement with stakeholders, showing that 100% of recognised stakeholder organisations were involved in public participation processes.

**Table 28: Performance indicators – public participation**

| <b>Indicator</b>   | <b>Unit</b>             | <b>Result for 2007/08</b> |
|--|-------------------------|---------------------------|
| Was there a community communication strategy in place in FY 2007/08?   | Y/N                     | Yes                       |
| Did your municipality conduct a citizen satisfaction survey in FY 2007/08?                                   | Y/N                     | Yes                       |
| Did your municipality have a functional complaint management system in FY 2007/08?                           | Y/N                     | Yes                       |
| Number of individual participants in public participation forums for FY 2007/08?                             | Number                  | 1350                      |
| Were citizens communicated with in their first language?   | Y/N/Only when practical | Yes                       |
| Number of recognised stakeholder organisations in FY 2007/08?  | Number                  | 35                        |
| Number of recognised stakeholder organisations that were involved in participation structures in FY 2007/08? | Number                  | 35                        |



## 12 Conclusion

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The 2007/08 Municipal Financial Year was once again a year of progress for the Laingsburg Local Municipality, despite significant challenges which it faces. This Annual Report highlighted some of the main achievements of the municipality, while acknowledging its constraints.

Reflecting on the year which has passed allows us the opportunity to plan appropriately for the year ahead and the municipality is committed to pursuing further growth and development and will use its resources as effectively and efficiently as possible in order to provide quality services to all the households and organisations which it serves. It is hoped that the financial year to come will be one of growth, improved socioeconomic conditions, organisational strength and the continued practice of good governance in Laingsburg Local Municipality.



## References

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Provincial Government of the Western Cape, Treasury, 2007. "Socio Economic Profile of the Central Karoo District 2007", *Chapter 2: Laingsburg Local Municipality*.

Statistics South Africa, 2007. "Community Survey 2007: Municipal data on household services", *Report No. 03-01-21 (2007)*. Pretoria, Statistics South Africa.



## **Annexure A: Financial Statements for 2007/08**



## **Annexure B: Auditor General's Report**

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## **Annexure C: Functional Service Delivery Reporting**

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